

PBk 90 Pg 632

STATE MS.-DE SOTO CO. p2
FILED

This instrument was prepared by
and upon recordation should be
returned to:xx

Return to: RONALD HARKAVY
Armstrong Allen, PLLC
80 Monroe Avenue
Memphis, TN 38103

JUL 16 3 44 PM '01

Ann Peldo Cargile, Esq.
Boult, Cummings, Connors & Berry, PLC
414 Union Street, Suite 1600
Nashville, TN 37219
615-252-2343

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W.L. CLK.

SUBORDINATION, NON-DISTURBANCE & ATTORNMENMENT AGREEMENT

THIS SUBORDINATION, NON-DISTURBANCE & ATTORNMENMENT AGREEMENT ("Agreement") made and entered into this 11 day of June, 2001, by and among MRB-HERNANDO, L.P., whose mailing address is 1010 June Road, Memphis, Tennessee 38119 (the "Landlord"), AUTOMATIC LAUNDRY COMPANY, LTD., a TX Rice Holding Company a Texas limited partnership, whose mailing address is 3053 Bellbrook Dr, Memphis, TN 38116 (the "Tenant"), and STATE FARM LIFE INSURANCE COMPANY, an Illinois corporation, whose mailing address is One State Farm Plaza, Bloomington, Illinois 61710-0001 ("State Farm");

WITNESSETH:

WHEREAS, Landlord and Tenant have heretofore entered into a certain lease (the "Lease") dated December 1, 1999 with respect to and governing the terms of Tenant's use and occupancy of all or a portion of certain real estate and improvements legally described on Exhibit A attached hereto and made a part hereof (the "Premises"); and

WHEREAS, State Farm, as a condition to making a loan to Landlord in the principal amount of Ten Million Two Hundred Thousand Dollars and No Cents (\$10,200,000.00 (the "Loan"), which is to be secured by a Deed of Trust and Security Agreement executed by Landlord to and in favor of State Farm (the "Deed of Trust") constituting a first lien upon and encumbering the Premises, and further secured by an Assignment of Rents and Leases executed by Landlord to and in favor of State Farm (the "Assignment of Rents and Leases") assigning to State Farm all leases of and all rents derived from the Premises, has required the execution of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and to induce State Farm to make said Loan and to accept said Deed of Trust upon said Premises as security for the Loan and in consideration of the sum of One Dollar (\$1.00) by each of the parties hereto paid to the other, receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby covenant, stipulate and agree as follows:

1. The Lease, and any and all modifications thereof and amendments thereto, all of Tenant's rights thereunder and Tenant's leasehold interest and estate in the Premises shall be and are hereby made junior, inferior, subordinate and subject in all respects to the lien and encumbrance of the Deed of Trust on the Premises and to all renewals, modifications, consolidations, replacements and extensions of the Deed of Trust, to the full extent of the principal sum secured thereby, all interest thereon and all other sums due or hereafter becoming due thereunder.

2. Tenant agrees that it shall promptly deliver or mail to State Farm a copy of each written notice given by Tenant to Landlord of a default by the Landlord under the Lease. Tenant further agrees that if, within the time provided in the Lease to cure defaults thereunder, State Farm, at its option, shall elect to perform or cause to be performed the obligations with respect to which Landlord is in default under the Lease, as specified in such written notice, any right of Tenant to terminate the Lease by reason or on account of such default of Landlord shall cease and be null and void.

3. Tenant is advised and hereby acknowledges that the Deed of Trust, Assignment of Rents and Leases and other documents which evidence and secure the Loan (collectively the "Loan Documents") grant and provide to State Farm the right to collect rents and other sums payable under the Lease (collectively, the "Rents") directly from Tenant upon the occurrence of an Event of Default by Landlord under the Loan Documents; Landlord and Tenant hereby agree that upon Tenant's receipt from State Farm of written notice of the occurrence of any Event of Default by Landlord under the Loan Documents, Tenant shall thereafter pay all Rents directly to State Farm (or as State Farm shall direct).

4. State Farm agrees that in the event it should become necessary for State Farm to foreclose the Deed of Trust, and provided that Tenant is not in default of its obligations under the Lease, Tenant shall be entitled to continue in possession of the Premises undisturbed. State Farm further agrees that unless required by law, State Farm will not join Tenant as a defendant in any such foreclosure proceedings, and if such joinder is required by law, State Farm will not seek to terminate the Lease or Tenant's possession of the Premises.

5. It is further agreed that in the event State Farm should succeed to the interest of the Landlord under the Lease, State Farm agrees to be bound to the Tenant under the Lease. The Tenant agrees from and after such event to attorn to State Farm. From the date of acquisition, Tenant shall have the same rights and remedies against and obligations to State Farm that Tenant has against and to the prior Landlord for any default that is in existence and continues beyond the date of acquisition, as if the default occurred on the date of State Farm's acquisition. However, State Farm shall not be:

(i) liable for the consequences of any act or omission of the prior Landlord that occurred prior to State Farm's acquisition;

(ii) subject to any offsets or defenses which the Tenant might have against the prior Landlord, for acts, omissions, or defaults which occurred prior to State Farm's acquisition;

(iii) bound by any rent or additional rent which the Tenant might have paid in advance for more than one month;

(iv) bound by any amendment or modification of the Lease made after the date of this Agreement without State Farm's prior written consent; or

(v) liable for any security deposit, unless actually received by State Farm from the prior Landlord.

6. Tenant agrees that notwithstanding anything to the contrary contained in this Agreement, in the Lease or in any other instrument, any interest of the Tenant in or under any option to purchase or right of first refusal of, or with respect to all or any part of the Premises is hereby specifically subordinated to the rights of State Farm under the Deed of Trust and other Loan Documents and such

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option to purchase or right of the first refusal shall not be binding upon State Farm, its successors and assigns.

7. This Agreement shall be binding upon and inure to the benefit of the parties hereto and shall also bind and benefit the heirs, legal representatives, successors and assigns of the respective parties hereto, and all covenants, conditions and agreements herein contained shall be construed as running with the title to the land comprising the Premises. This Agreement may be executed simultaneously in three (3) or more counterparts, each of which shall be deemed an original, but all of which shall constitute a singular agreement.

8. Landlord and Tenant hereby waive to the fullest extent permitted by applicable law, the right to trial by jury in any action, proceeding or counterclaim filed by any party, whether in contract, tort or otherwise relating directly or indirectly to this Agreement or any acts or omissions of the Landlord and Tenant in connection therewith or contemplated thereby.

[SIGNATURE PAGE TO FOLLOW]

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IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed as of the day and year first above written.

MRB-HERNANDO, L.P., a Tennessee limited partnership

By: Its General Partners

Jan Realty, Inc., a Tennessee corporation

By: 

Printed Name: Michael Rosenberg

Its: Vice President

Belz/South Bluffs, Inc., a Tennessee corporation

By: 

Printed Name: Simone D. With

Its: Sr. VP

AUTOMATIC LAUNDRY COMPANY, LTD.

J.C. Pace Holding Company
General Partner

By: 

Printed Name: Kim R. Jones

Its: Authorized Representative

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STATE FARM LIFE INSURANCE COMPANY,
an Illinois corporation

By: 

Its: Investment Officer

By: 

Its: Assistant Secretary

Address:

One State Farm Plaza
Bloomington, Illinois 61710-0001
Corporate Law-Investments E-8
Attn: (Leo J. Buchignani, Jr.)

STATE OF TENNESSEE)
COUNTY OF SHELBY)

Personally appeared before me, Donna J Schnyder, a Notary Public in and for said State and County duly commissioned and qualified, Michael Greenberg, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged that he executed the foregoing instrument for the purposes therein contained, and who further acknowledged that he is the Vice President of Jan Realty, Inc., a Tennessee corporation, a General Partner of MRB-Hernando, L.P., a Tennessee limited partnership, and he as such Vice President executed the foregoing instrument for the purpose therein contained by signing the name of the corporation by himself as Vice President of such corporation, as a General Partner of MRB-Hernando, L.P.

WITNESS MY HAND, at Office, this 12th day of June, 2001.

Donna J Schnyder
NOTARY PUBLIC

My Commission expires:

EXPIRES OCT. 2, 2002

STATE OF TENNESSEE)
COUNTY OF SHELBY)

Personally appeared before me, Ronald M Harkavy, a Notary Public in and for said State and County duly commissioned and qualified, Timothy D. Williams, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged that he executed the foregoing instrument for the purposes therein contained, and who further acknowledged that he is the Sr. Vice Pres of Belz/South Bluffs, Inc., a Tennessee corporation, a General Partner of MRB-Hernando, L.P., a Tennessee limited partnership, and he as such Sr. Vice Pres executed the foregoing instrument for the purpose therein contained by signing the name of the corporation by himself as Sr. Vice Pres. of such corporation, as a General Partner of MRB-Hernando, L.P.

WITNESS MY HAND, at Office, this 13th day of June, 2001.

Ronald M Harkavy
NOTARY PUBLIC

My Commission expires:



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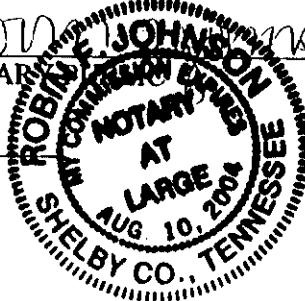
STATE OF Tennessee)
COUNTY OF Shelby)

Before me, _____ the undersigned, a Notary Public in and for the County and State aforesaid, personally appeared Kira B. Jones, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath acknowledged her self to be Auth. Rep. of J.C. Pace Holding Co., general partner of Automatic Laundry Company, Inc., the within named bargainor, a limited partnership, and that as such _____ being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the general partner by _____ self as _____ on behalf of the limited partnership.

Witness my hand and seal, at office, this the 11th day of June, 2001.

ROBIN E. JOHNSON
NOTARY

My Commission Expires: _____



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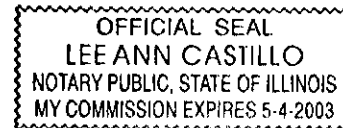
State of Illinois)
) ss.
County of McLean)

I, LeeAnn Castillo, do hereby certify that on the 26th day of June, 2001,
John R. Higgins and G. Roger Gielow as
Investment Officer and Assistant Secretary,
respectively of State Farm Life Insurance Company, an Illinois corporation, personally appeared before
me and being first duly sworn by me severally acknowledged that they signed the foregoing document in
the respective capacities therein set forth and declared that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year before written.

LeeAnn Castillo
Notary Public

My Commission expires: 5/4/03



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EXHIBIT A

[Legal Description]

Being a survey of part of the MRB-Hernando, L.P. property as recorded in Book 344, page 693 and Book 344, page 696, and the MRB-Hernando, L.P. property as recorded in Book 344, page 699 at the DeSoto County Chancery Clerk's Office in Hernando, Mississippi, and also lying in the Northeast Quarter of Section 18, Township 3, Range 7 West and being more particularly described as follows:

Commencing at the intersection of the north line of Holly Springs Road (120 foot right-of-way, 60 feet north of the centerline) and the west line of McIngvale Road (right-of-way varies, 30 feet west of the centerline); thence North 13 degrees 42 minutes 57 seconds East along the west line of McIngvale Road, a distance of 583.45 feet to a point; thence North 0 degrees 14 minutes 20 seconds West continuing along the west line of said Road, a distance of 298.12 feet to the point of beginning; thence South 89 degrees 49 minutes 23 seconds West a distance of 397.55 feet to a point; thence South 48 degrees 47 minutes 46 seconds West a distance of 434.30 feet to a point; thence North 30 degrees 24 minutes 50 seconds West a distance of 208.71 feet to a found iron pin; thence South 59 degrees 42 minutes 58 seconds West a distance of 248.63 feet to a found iron pin on the East line of Interstate 55; thence North 30 degrees 19 minutes 40 seconds West along the East line of Interstate 55, a distance of 942.84 feet to a right-of-way marker on the south line of the DeSoto County Board of Education property as recorded in Book 212, page 794, and Book 204, pages 22, 24, 26, 28, 30, 32, and 34; thence North 89 degrees 48 minutes 24 seconds East along the south line of said DeSoto County Board of Education property a distance of 1518.31 feet to a point on the west line of said McIngvale Road; thence South 0 degrees 14 minutes 20 seconds East along the west line of said McIngvale Road a distance of 306.23 feet to the northeast corner of the William G. Pearson property as recorded in Book 223, page 672; thence South 89 degrees 49 minutes 23 seconds West along the north line of said William G. Pearson property a distance of 286.48 feet to a found PK nail; thence South 0 degrees 10 minutes 37 seconds East along the west line of said Pearson property, a distance of 80.00 feet to a point; thence North 89 degrees 49 minutes 23 seconds East along the south line of said Pearson property, a distance of 286.57 feet to a point on the west line of McIngvale Road; thence South 0 degrees 14 minutes 20 seconds East along the west line of McIngvale Road a distance of 200.00 feet to the point of beginning.